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NSC review completed.

## THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Council

DDI 1346-82  
17 February 1982

MEMORANDUM FOR: Director of Central Intelligence  
Deputy Director of Central Intelligence

VIA: Chairman, National Intelligence Council

FROM: Charles E. Waterman  
National Intelligence Officer for NESA

SUBJECT: Libyan Sanctions

1. A Libyan Task Force meeting is to be held 17 February in preparation for the now postponed NSC meeting on this subject scheduled for sometime next week. The areas of agreement and disagreement on the various issues being debated are as follows:

- a. Broad agreement now exists on the imposition, without further Libyan provocation, of a petroleum import ban. The Trade Expansion Act would be utilized as justification, which will require a certification that a return to dependency on Libyan petroleum is not in our security interest.
- b. The Department of Treasury objects sharply to the imposition of Export Controls utilizing the International Emergency Economic Powers Act (IEEPA). Treasury feels the legal basis without a specific provocation by Libya is not there, and feels utilization of IEEPA constitutes overkill in any case. They also fear a "chain reaction effect," which will entail the nationalization by Libya of US assets, and the resultant building of pressure within the United States for freezing of Libyan assets and other related actions. Treasury feels the psychological and political impact of such ultimate actions would be most unhelpful, even disregarding the legal argument.

TREA has not reviewed. Processed IAW  
CIA TREA arrangement letter dtd 4/11/08.

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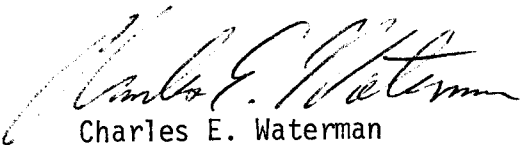
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- c. One possible area of compromise under consideration is the imposition of only a partial, selective, and perhaps incremental ban -- utilizing the Export Administration Act as justification instead of IEEPA. This would permit the banning of certain exports such as oil related technology, and so forth. Treasury also opposes this move, as a result of the "chain reaction effect" described above, but is apparently less adamant about it. DoD, State, and NSC support it. (S)

2. All agencies concerned seem to have concluded that the political effect of the imposition of a petroleum boycott would be favorable. (S)



Charles E. Waterman

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